

HOUSE BILL REPORT

SSB 6365

As Passed House - Amended:

March 1, 2006

Title: An act relating to fees for the weights and measures program.

Brief Description: Changing fees in the weights and measures program.

Sponsors: By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Schoesler, Jacobsen, Fraser and Shin; by request of Department of Agriculture).

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 2/17/06, 2/22/06 [DPA].

Floor Activity:

Passed House - Amended: 3/1/06, 97-1.

Brief Summary of Substitute Bill (As Amended by House)

- Phases in increases in registration fees for weighing and measuring devices over a two year period.
- Increases annual application fee for weighmaster and weigher licenses, and for service agent registration certificates and renewals.
- Requires the Department of Agriculture (Department) to convene its weights and measures advisory committee quarterly to monitor implementation of legislation.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: Do pass as amended. Signed by 12 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Appleton, Blake, Chase, Clibborn, Grant, McCoy, Morrell, Quall, P. Sullivan and Wallace.

Minority Report: Do not pass. Signed by 11 members: Representatives Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Bailey, Buri, Dunn, Haler, Holmquist, Kilmer, Kretz, Newhouse and Strow.

Staff: Meg Van Schoorl (786-7105).

Background:

The State Department of Agriculture (Department) regulates all commercial weighing, measuring and counting devices used in the state, except those used in the cities of Spokane and Seattle which operate their own regulatory programs. Examples of regulated devices include gasoline pumps, railroad track scales, home heating oil truck meters, grocery store scales, taxi meters, and truck scales.

The Department's Weights and Measures program inspectors test devices for accuracy and suitability for service. They also inspect price scanner systems for accuracy; inspect packaged commodities for correct content, labeling and pricing; and investigate consumer complaints.

The Weights and Measures program was historically supported by the State General Fund until 1990 when a system based primarily on inspection fees began. In 1995, the Legislature established the current funding structure. Businesses are required to pay an annual device registration fee, according to a statutory fee schedule, ranging from \$5 to \$800, depending upon the category of the device. In 2005, 67,600 devices were registered. Ninety-two percent of these devices cost \$5 to register. Revenues from device registration fees in Fiscal Year 2005 totaled \$499,773.

The Department's frequency of inspection and device failure rate each differ significantly from national averages. For inspection intervals, the national average is 1 - 1.5 years. The state's average varies depending upon device. The most frequent inspections are of railroad track scales (2 years), gas pumps (2.5 years), and small scales (once every 3.7 years). Other devices are rarely, if ever, inspected. For failure rates, the national average is 6.9 percent for small scales and 6.6 percent for gas pumps, while the failure rates in the last two years for those same state-inspected devices averaged 9.5 percent and 8.9 percent respectively.

Cities with weights and measures programs may establish their own annual fees as long as they do not exceed the statutory fee schedule.

Summary of Amended Bill:

Annual registration fees for commercial weighing and measuring devices are increased on a phased-in basis. Fifty percent of the increase is effective July 1, 2006 and fifty percent is effective July 1, 2007. Annual application fees for weighmaster/weigher licenses and for service agent registration certificates/renewals are increased effective July 1, 2006. The Department must convene its weights and measures advisory committee on a quarterly basis to monitor implementation of this legislation and together they must report to appropriate legislative committees on December 1, 2006 if there are any recommended changes. The Department must also make a status report to the legislature by December 15, 2007.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed, except sections 1 and 3 through 7 which take effect July 1, 2006, and section 2 which takes effect July 1, 2007.

Testimony For: (In support) We support this bill because we are concerned about the nearly 9 percent failure rate for gasoline pumps in the last two years. The states of Oregon and Idaho have inspection frequencies averaging once a year. Oregon's program is supported 100 percent by fees; Idaho's program is a mixture of fees and general fund. Our cities' weights and measures programs are tied to the statutory fee schedule, and we support this bill as a good compromise. We like the budget proviso paying for equipment from the State General Fund. Because the failure rate is often against the retailer, we have no problem with some increase in fees. The Department's current average inspection frequency is 49 months. Our request bill would have reduced it to 24 months. This bill, assuming a supplemental budget appropriation for equipment, will reduce it to 28 months; without the supplemental budget appropriation, this bill will reduce it to 30 months. Inspections take a certain amount of time per device, so inspecting multiple devices at one site does not save time. The Department's goal is a fair marketplace and fair competition.

(With concerns) We support most of the elements in the bill, but would favor smaller increases. Some device categories may require inspection less often than others. We recommend a 25 percent discount for multiple scales at a single establishment, and believe that businesses with device problems that necessitate re-inspections should have to pay for them. Trying to be a small business operator is difficult with the cumulative impact of separate fees that are enacted by the Legislature. A discount for multiple scales will likely favor larger retailers. Will the cost be shifted to small business? We would like to revisit the phased-in approach taken earlier in the House companion bill so that fees are not doubled overnight.

Testimony Against: None.

Persons Testifying: (In support) Senator Rasmussen, prime sponsor; Dave Overstreet, AAA of Washington; David Foster, City of Seattle; and Mary Beth Lang and Jerry Buendell, Washington Department of Agriculture.

(With concerns) Bob Gee, Washington Food Industry Association; T.K. Bentler, Washington Association of Neighborhood Stores; and Charlie Brown, Washington Oil Marketers Association.

Persons Signed In To Testify But Not Testifying: None.